## Fiscal Estimate - 2007 Session

Original Updated	Corrected Su	pplemental	
LRB Number <b>07-1504/1</b>	Introduction Number AB-0	713	
<b>Description</b> Minimum markup laws			
Fiscal Effect			
Appropriations Rev Decrease Existing Dec Appropriations Rev Appropriations Rev Create New Appropriations  Local: No Local Government Costs Indeterminate 1. Increase Costs 3. Incre Permissive Mandatory Perm	rease Revenue Counties Oth	ency's budget	
Fund Sources Affected Affected Ch. 20 Appropriations			
GPR FED PRO PRS SEG SEGS			
Agency/Prepared By	Authorized Signature	Date	
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## Fiscal Estimate Narratives DATCP 1/25/2008

## **Assumptions Used in Arriving at Fiscal Estimate**

The Unfair Sales Act prohibits retailers and wholesalers from selling products at a price that is less than the sellers "cost" as the term is defined in the act. (For certain product, the statutory definition of "cost" includes a minimum markup to represent the "cost of doing business." However, for most products, including prescription drugs, "cost" is defined, generally, as the price paid by the seller.)

Current law contains a list of exceptions to the prohibition of selling merchandise below cost. For example, current exceptions include meeting the price of a competitor, seasonal clearance sales, going out of business sales, etc. This proposed bill would add an additional exception allowing for sales below cost as long as the merchandise sold is prescription drugs.

DATCP is the agency primarily responsible for state enforcement of the Unfair Sales Sales Act. Generally, DATCP conducts investigations of alleged Unfair Sales Act violations based on complaints. In recent years we have not received any complaints relating to allegedly selling prescription drugs at a price that is less than cost. Therefore, we estimate that this bill would not have any significant fiscal effect on DATCP.

## Long-Range Fiscal Implications